October 10, 2013

Marlene H. Dortch, Secretary
Federal Communications Commission
Office of the Secretary
445 12th Street, S.W.
Washington, D.C. 20554

Re: WC Docket Nos. 10-90 and 11-42
2013 FCC Form 481 Annual Report
Study Area Code: 150104

Dear Secretary Dortch:

On behalf of Margaretville Telephone Company, ACM, Inc., as the company's authorized representative, files the enclosed FCC Form 481 Carrier Annual Reporting Data Collection Form, as required by 47 C.F.R. § 54.313 and 54.422.

The FCC Form 481 has been submitted to USAC via its e-file system and copies of that submission are being provided to the FCC and state commission.

Please contact Kevin Schwenzfeier at (518) 374-2552 if you have any questions regarding this filing.

Sincerely,

Kevin Schwenzfeier

Kevin Schwenzfeier
President
ACM, Inc.

FCC Form 481 - Carrier Annual Reporting Data Collection Form

FCC Form 481
OMB Control No. 3060-0986/OMB Control No. 3060-0819
July 2013

<010>	Study Area Code	150104
<015>	Study Area Name	MARGARETVILLE TEL CO
<020>	Program Year	2014
<030>	Contact Name: Person USAC should contact with questions about this data	Kevin Schwenzfeier
<035>	Contact Telephone Number: Number of the person identified in data line <030>	518-374-2552
<039>	Contact Email Address: Email of the person identified in data line <030>	kevins@acm-costconsulting.com

ANNUAL REPORTING FOR ALL CARRIERS

(check box when complete)

				54.313 Completion Required	54.422 Completion Required
<100>	Service Quality Improvement Reporting		(complete attached worksheet)	✓	
<200>	Outage Reporting (voice)		(complete attached worksheet)	✓	✓
<210>		✓ <-- check box if no outages to report			
<300>	Unfulfilled Service Requests (voice)	0		✓	
<310>	Detail on Attempts (voice)		(attach descriptive document)		
<320>	Unfulfilled Service Requests (broadband)				
<330>	Detail on Attempts (broadband)		(attach descriptive document)		
<400>	Number of Complaints per 1,000 customers (voice)			✓	✓
<410>	Fixed	0.0			
<420>	Mobile				
<430>	Number of Complaints per 1,000 customers (broadband)				
<440>	Fixed				
<450>	Mobile				
<500>	Service Quality Standards & Consumer Protection Rules Compliance		(check to indicate certification)	✓	✓
<510>		150104ny510	(attached descriptive document)	✓	✓
<600>	Functionality in Emergency Situations		(check to indicate certification)	✓	✓
<610>		150104ny610	(attached descriptive document)	✓	✓
<700>	Company Price Offerings (voice)		(complete attached worksheet)		
<710>	Company Price Offerings (broadband)		(complete attached worksheet)		
<800>	Operating Companies and Affiliates		(complete attached worksheet)	✓	✓
<900>	Tribal Land Offerings (Y/N)?	○ ◉	(if yes, complete attached worksheet)		
<1000>	Voice Services Rate Comparability		(check to indicate certification)		
<1010>			(attach descriptive document)		
<1100>	Terrestrial Backhaul (Y/N)?	◉ ○	(if not, check to indicate certification)		
<1110>			(complete attached worksheet)		
<1200>	Terms and Condition for Lifeline Customers		(complete attached worksheet)		✓

Price Cap Carriers, Proceed to <u>Price Cap Additional Documentation Worksheet</u>
Including Rate-of-Return Carriers affiliated with Price Cap Local Exchange Carriers

<2000>	(check to indicate certification)		
<2005>	(complete attached worksheet)		

Rate of Return Carriers, Proceed to <u>ROR Additional Documentation Worksheet</u>

<3000>	(check to indicate certification)	✓	
<3005>	(complete attached worksheet)	✓	

(100) Service Quality Improvement Reporting
Data Collection Form

FCC Form 481
OMB Control No. 3060-0986/OMB Control No. 3060-0819
July 2013

<010>	Study Area Code	150104
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<020>	Program Year	2014
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<035>	Contact Telephone Number - Number of person identified in data line <030>	518-374-2552
<039>	Contact Email Address - Email Address of person identified in data line <030>	kevins@acm-costconsulting.com

<110>	Has your company received its ETC certification from the FCC?	(yes / no) ○ ◉
<111>	If your answer to Line <110> is yes, do you have an existing §54.202(a) "5 year plan" filed with the FCC?	(yes / no) ○ ○

If your answer to Line <111> is yes, then you are required to file a progress report, on line <112> delineating the status of your company's existing § 54.202(a) "5 year plan" on file with the FCC, as it relates to your provision of voice telephony service.

<112> Attach Five-Year Service Quality Improvement Plan or, in subsequent years, your annual progress report filed pursuant to 47 C.F.R. § 54.313(a)(1). If your company is a CETC which only receives frozen support, your progress report is only required to address voice telephony service.

Name of Attached Document (.pdf)

Please check these boxes below to confirm that the attached PDF, on line 112, contains a progress report on its five-year service quality improvement plan pursuant to § 54.202(a). The information shall be submitted at the wire center level or census block as appropriate.

<113>	Maps detailing progress towards meeting plan targets	☐
<114>	Report how much universal service (USF) support was received	☐
<115>	How (USF) was used to improve service quality	☐
<116>	How (USF)was used to improve service coverage	☐
<117>	How (USF) was used to improve service capacity	☐
<118>	Provide an explanation of network improvement targets not met in the prior calendar year.	☐

(200) Service Outage Reporting (Voice)
Data Collection Form

FCC Form 481
OMB Control No. 3060-0986/OMB Control No. 3060-0819
July 2013

<010>	Study Area Code	150104
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<020>	Program Year	2014
<030>	Contact Name - Person USAC should contact regarding this data	Kevin Schwenzfeier
<035>	Contact Telephone Number - Number of person identified in data line <030>	518-374-2552
<039>	Contact Email Address - Email Address of person identified in data line <030>	kevins@acm-costconsulting.com

<220>

<a> NORS Reference Number	<b1> Outage Start Date	<b2> Outage Start Time	<b3> Outage End Date	<b4> Outage End Time	<c1> Number of Customers Affected	<c2> Total Number of Customers	<d> 911 Facilities Affected (Yes / No)	<e> Service Outage Description (Check all that apply)	<f> Did This Outage Affect Multiple Study Areas (Yes / No)	<g> Service Outage Resolution	<h> Preventative Procedures

-- See attached worksheet --

10/01/2013

(700) Price Offerings including Voice Rate Data
Data Collection Form

FCC Form 481
OMB Control No. 3060-0986/OMB Control No. 3060-0819
July 2013

<010>	Study Area Code	150104
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<035>	Contact Telephone Number - Number of person identified in data line <030>	518-374-2552
<039>	Contact Email Address - Email Address of person identified in data line <030>	kevins@acm-costconsulting.com

<701>	Residential Local Service Charge Effective Date	1/1/2013
<702>	Single State-wide Residential Local Service Charge	

<703>

<a1> State	<a2> Exchange (ILEC)	<a3> SAC (CETC)	<b1> Rate Type	<b2> Residential Local Service Rate	<b3> State Subscriber Line Charge	<b4> State Universal Service Fee	<b5> Mandatory Extended Area Service Charge	<c> Total per line Rates and Fees

-- See attached worksheet --

10/01/2013

(710) Broadband Price Offerings
Data Collection Form

FCC Form 481
OMB Control No. 3060-0986/OMB Control No. 3060-0819
July 2013

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<039>	Contact Email Address - Email Address of person identified in data line <030>	kevins@acm-costconsulting.com

<711>

<a1> State	<a2> Exchange (ILEC)	<b1> Residential Rate	<b2> State Regulated Fees	<c> Total Rate and Fees	<d1> Broadband Service - Download Speed (Mbps)	<d2> Broadband Service - Upload Speed (Mbps)	<d3> Usage Allowance (GB)	<d4> Usage Allowance Action Taken When Limit Reached {*select* }

-- See attached worksheet --

(800) Operating Companies
Data Collection Form

FCC Form 481
OMB Control No. 3060-0986/OMB Control No. 3060-0819
July 2013

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<035>	Contact Telephone Number - Number of person identified in data line <030>	518-374-2552
<039>	Contact Email Address - Email Address of person identified in data line <030>	kevins@acm-costconsulting.com

<810>	Reporting Carrier	Margaretville Tel Co
<811>	Holding Company	
<812>	Operating Company	Margaretville Tel Co

<813>

<a1>	<a2>	<a3>
Affiliates	**SAC**	**Doing Business As Company or Brand Designation**

-- See attached worksheet --

(900) Tribal Lands Reporting
Data Collection Form

FCC Form 481
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July 2013

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<030>	Contact Name - Person USAC should contact regarding this data	Kevin Schwenzfeier
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<039>	Contact Email Address - Email Address of person identified in data line <030>	kevins@acm-costconsulting.com

<910> Tribal Land(s) on which ETC Serves

<920> Tribal Government Engagement Obligation

Name of Attached Document (.pdf)

If your company serves Tribal lands, please select (Yes,No, NA) for each these boxes to confirm the status described on the attached PDF, on line 920, demonstrates coordination with the Tribal government pursuant to § 54.313(a)(9) includes:

		Select (Yes,No, NA)
<921>	Needs assessment and deployment planning with a focus on Tribal community anchor institutions;	
<922>	Feasibility and sustainability planning;	
<923>	Marketing services in a culturally sensitive manner;	
<924>	Compliance with Rights of way processes	
<925>	Compliance with Land Use permitting requirements	
<926>	Compliance with Facilities Siting rules	
<927>	Compliance with Environmental Review processes	
<928>	Compliance with Cultural Preservation review processes	
<929>	Compliance with Tribal Business and Licensing requirements.	

(1100) No Terrestrial Backhaul Reporting
Data Collection Form

FCC Form 481
OMB Control No. 3060-0986/OMB Control No. 3060-0819
July 2013

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<020>	Program Year	2014
<030>	Contact Name - Person USAC should contact regarding this data	Kevin Schwenzfeier
<035>	Contact Telephone Number - Number of person identified in data line <030>	518-374-2552
<039>	Contact Email Address - Email Address of person identified in data line <030>	kevins@acm-costconsulting.com

<1120> Please check this box to confirm no terrestrial backhaul options exist within the supported area pursuant to § 54.313(G) ☐

<1130> Please check this box to confirm the reporting carrier offers broadband service of at least 1 Mbps downstream and 256 kbps upstream within the supported area pursuant to § 54.313(G) ☐

(1200) Terms and Condition for Lifeline Customers
Lifeline
Data Collection Form

FCC Form 481
OMB Control No. 3060-0986/OMB Control No. 3060-0819
July 2013

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<039>	Contact Email Address - Email Address of person identified in data line <030>	kevins@acm-costconsulting.com

<1210> Terms & Conditions of Voice Telephony Lifeline Plans — 150104ny1210

Name of attached document (.pdf)

<1220> Link to Public Website — HTTP

"Please check these boxes below to confirm that the attached PDF, on line 1210, or the website listed, on line 1220, contains the required information pursuant to § 54.422(a)(2) annual reporting for ETCs receiving low-income support, carriers must annually report:

<1221> Information describing the terms and conditions of any voice telephony service plans offered to Lifeline subscribers, ☑

<1222> Details on the number of minutes provided as part of the plan, ☑

<1223> Additional charges for toll calls, and rates for each such plan. ☑

(2000) Price Cap Carrier Additional Documentation
Data Collection Form
Including Rate-of-Return Carriers affiliated with Price Cap Local Exchange Carriers

FCC Form 481
OMB Control No. 3060-0986/OMB Control No. 3060-0819
July 2013

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CHECK the boxes below to note compliance as a recipient of Incremental Connect America Phase I support, frozen High Cost support, High Cost support to offset access charge reductions, and Connect America Phase II support as set forth in 47 CFR § 54.313(b),(c),(d),(e) the information reported on this form and in the documents attached below is accurate.

Incremental Connect America Phase I reporting

<2010> 2nd Year Certification {47 CFR § 54.313(b)(1)} ☐
<2011> 3rd Year Certification {47 CFR § 54.313(b)(2)} ☐

Price Cap Carrier Receiving Frozen Support Certification {47 CFR § 54.312(a)}

<2012> 2013 Frozen Support Certification ☐
<2013> 2014 Frozen Support Certification ☐
<2014> 2015 Frozen Support Certification ☐
<2015> 2016 and future Frozen Support Certification ☐

Price Cap Carrier Connect America ICC Support {47 CFR § 54.313(d)}

<2016> Certification Support Used to Build Broadband ☐

Connect America Phase II Reporting {47 CFR § 54.313(e)}

<2017> 3rd year Broadband Service Certification ☐
<2018> 5th year Broadband Service Certification ☐
<2019> Interim Progress Certification ☐
<2020> Please check the box to confirm that the attached PDF , on line 2021, contains the required information pursuant to § 54.313 (e)(3)(ii), as a recipient of CAF Phase II support shall provide the number, names, and addresses of community anchor institutions to which began providing access to broadband service in the preceding calendar year. ☐
<2021> Interim Progress Community Anchor Institutions — Name of Attached Document Listing Required Information ________________

(3000) Rate Of Return Carrier Additional Documentation

Data Collection Form

FCC Form 481
OMB Control No. 3060-0986/OMB Control No. 3060-0819
July 2013

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<039>	Contact Email Address - Email Address of person identified in data line <030>	kevins@acm-costconsulting.com

CHECK the boxes below to note compliance on its five year service quality plan (pursuant to 47 CFR § 54.202(a)) and, for privately held carriers, ensuring compliance with the financial reporting requirements set forth in 47 CFR § 54.313(f)(2). I further certify that the information reported on this form and in the documents attached below is accurate.

Progress Report on 5 Year Plan

(3010)	Milestone Certification {47 CFR § 54.313(f)(1)(i)} Please check this box to confirm that the attached PDF , on line 3012,	Name of Attached Document Listing Required Information	☐
(3011)	contains the required information pursuant to § 54.313 (f)(1)(ii), as a recipient of CAF Phase II support shall provide the number, names, and addresses of community anchor institutions to which began providing access to broadband service in the preceding calendar year.		
(3012)	Community Anchor Institutions {47 CFR § 54.313(f)(1)(ii)}	Name of Attached Document Listing Required Information	
(3013)	Is your company a Privately Held ROR Carrier {47 CFR § 54.313(f)(2)}		✓ (Yes/No)
(3014)	If yes, does your company file the RUS annual report		✓ (Yes/No)
	Please check these boxes to confirm that the attached PDF, on line 3017, contains the required information pursuant to § 54.313(f)(2) compliance requires:		
(3015)	Electronic copy of their annual RUS reports (Operating Report for Telecommunications Borrowers)		✓
(3016)	PDF of Balance Sheet, Income Statement and Statement of Cash Flows		✓
(3017)	If the response is yes on line 3014, attach your company's RUS annual report and all required documentation	Name of Attached Document Listing Required Information	150104ny3017
(3018)	If the response is no on line 3014, Is your company audited?		☐ (Yes/No)
	If the response is yes on line 3018, please check the boxes below to confirm your submission, on line 3026 pursuant to § 54.313(f)(2), contains :		
(3019)	Either a copy of their audited financial statement; or (2) a financial report in a format comparable to RUS Operating Report for Telecommunications		☐
(3020)	PDF of Balance Sheet, Income Statement and Statement of Cash Flows		☐
(3021)	Management letter issued by the independent certified public accountant that performed the company's financial audit.		☐
	If the response is no on line 3018, please check the boxes below to confirm your submission, on line 3026 pursuant to § 54.313(f)(2), contains:		
(3022)	Copy of their financial statement which has been subject to review by an independent certified public accountant; or 2) a financial report in a format comparable to RUS Operating Report for Telecommunications Borrowers,		☐
(3023)	Underlying information subjected to a review by an independent certified public accountant		☐
(3024)	Underlying information subjected to an officer certification.		☐
(3025)	PDF of Balance Sheet, Income Statement and Statement of Cash Flows		☐
(3026)	Attach the worksheet listing required information	Name of Attached Document Listing Required Information	

Certification - Reporting Carrier
Data Collection Form

FCC Form 481
OMB Control No. 3060-0986/OMB Control No. 3060-0819
July 2013

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<035>	Contact Telephone Number - Number of person identified in data line <030>	518-374-2552
<039>	Contact Email Address - Email Address of person identified in data line <030>	kevins@acm-costconsulting.com

TO BE COMPLETED BY THE REPORTING CARRIER, IF THE REPORTING CARRIER IS FILING ANNUAL REPORTING ON ITS OWN BEHALF:

Certification of Officer as to the Accuracy of the Data Reported for the Annual Reporting for CAF or LI Recipients

I certify that I am an officer of the reporting carrier; my responsibilities include ensuring the accuracy of the annual reporting requirements for universal service support recipients; and, to the best of my knowledge, the information reported on this form and in any attachments is accurate.

Name of Reporting Carrier:

Signature of Authorized Officer: Date

Printed name of Authorized Officer:

Title or position of Authorized Officer:

Telephone number of Authorized Officer:

Study Area Code of Reporting Carrier: Filing Due Date for this form:

Persons willfully making false statements on this form can be punished by fine or forfeiture under the Communications Act of 1934, 47 U.S.C. §§ 502, 503(b), or fine or imprisonment under Title 18 of the United States Code, 18 U.S.C. § 1001.

Certification - Agent / Carrier
Data Collection Form

FCC Form 481
OMB Control No. 3060-0986/OMB Control No. 3060-0819
July 2013

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<035>	Contact Telephone Number - Number of person identified in data line <030>	518-374-2552
<039>	Contact Email Address - Email Address of person identified in data line <030>	kevins@acm-costconsulting.com

TO BE COMPLETED BY THE REPORTING CARRIER, IF AN AGENT IS FILING ANNUAL REPORTS ON THE CARRIER'S BEHALF:

Certification of Officer to Authorize an Agent to File Annual Reports for CAF or LI Recipients on Behalf of Reporting Carrier

I certify that (Name of Agent) Kevin Schwenzfeier **is authorized to submit the information reported on behalf of the reporting carrier. I also certify that I am an officer of the reporting carrier; my responsibilities include ensuring the accuracy of the annual data reporting requirements provided to the authorized agent; and, to the best of my knowledge, the reports and data provided to the authorized agent is accurate.**

Name of Authorized Agent: Kevin Schwenzfeier

Name of Reporting Carrier: MARGARETVILLE TEL CO

Signature of Authorized Officer: CERTIFIED ONLINE Date: 10/01/2013

Printed name of Authorized Officer: Douglas Hinkley

Title or position of Authorized Officer: President

Telephone number of Authorized Officer: 845-586-3311

Study Area Code of Reporting Carrier: 150104 Filing Due Date for this form: 10/15/2013

Persons willfully making false statements on this form can be punished by fine or forfeiture under the Communications Act of 1934, 47 U.S.C. §§ 502, 503(b), or fine or imprisonment under Title 18 of the United States Code, 18 U.S.C. § 1001.

TO BE COMPLETED BY THE AUTHORIZED AGENT:

Certification of Agent Authorized to File Annual Reports for CAF or LI Recipients on Behalf of Reporting Carrier

I, as agent for the reporting carrier, certify that I am authorized to submit the annual reports for universal service support recipients on behalf of the reporting carrier; I have provided the data reported herein based on data provided by the reporting carrier; and, to the best of my knowledge, the information reported herein is accurate.

Name of Reporting Carrier: MARGARETVILLE TEL CO

Name of Authorized Agent or Employee of Agent: Kevin Schwenzfeier

Signature of Authorized Agent or Employee of Agent: CERTIFIED ONLINE Date: 10/01/2013

Printed name of Authorized Agent or Employee of Agent: Kevin Schwenzfeier

Title or position of Authorized Agent or Employee of Agent Director, Cost & Regulatory

Telephone number of Authorized Agent or Employee of Agent: 518-374-2552

Study Area Code of Reporting Carrier: 150104 Filing Due Date for this form: 10/15/2013

Persons willfully making false statements on this form can be punished by fine or forfeiture under the Communications Act of 1934, 47 U.S.C. §§ 502, 503(b), or fine or imprisonment under Title 18 of the United States Code, 18 U.S.C. § 1001.

Attachments

(800) Operating Companies

Data Collection Form

FCC Form 481
OMB Control No. 3060-0986/OMB Control No. 3060-0819
July 2013

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<039>	Contact Email Address - Email Address of person identified in data line <030>	kevins@acm-costconsulting.com

<810>	Reporting Carrier	Margaretville Tel Co
<811>	Holding Company	
<812>	Operating Company	Margaretville Tel Co

<813>

<a1> Affiliates	<a2> SAC	<a3> Doing Business As Company or Brand Designation
Heart of the Catskills Communications Inc		MTC Cable

Service Quality Standards & Consumer Protection Rules Compliance
FCC Form 481, Line 510

The company complies with applicable service quality standards and consumer protections by (1) maintaining and submitting monthly trouble report data to the New York State Public Service Commission ("NYPSC"); (2) reporting major service interruptions to the NYPSC in a manner consistent with its guidelines; (3) filing local service tariffs with the NYPSC and making rate and service information available to the public upon request; (4) clearly listing all charges and credits on customers' bills; (5) providing full and prompt investigation of, and response to, customer complaints; (6) providing access to enhanced 911 emergency report centers; (7) participating in statewide system for the hearing impaired; (8) complying with federal CPNI rules and other applicable consumer privacy protection requirements, including training of employees that have access to CPNI on the rules and procedures for protecting account information and authenticating callers; and (9) implementing procedures that are consistent with the FTC's guidance on measures to detect/prevent identity theft (Red Flag).

The company received a commendation from the NYPSC in recognition of its high quality of telephone service in 2012.

Margaretville Telephone Company, Inc.

Functionality in Emergency Situations
FCC Form 481, Line 610

The company's central office and remotes have battery back up along with generators. The company continues to put in place redundancy for 911 back up and long distance trunking. The company has sized its trunk groups to give it extra capabilities in the event of a spike in call volumes. The company has an Emergency Assistance Handbook in place on how to handle different emergency situations. TSP lines, government agencies, hospitals and schools are also listed in the handbook.

Received: 05/30/2012 Status: EFFECTIVE
Effective Date: 07/01/2012

SPECIAL EQUIPMENT, SERVICES, AND PROGRAMS

A. LIFELINE TELEPHONE SERVICE

1. Lifeline Telephone Service Options

a. Description

1. Lifeline Discounted Service

+

This service provides a flat rate federal discount of $9.25, consisting of a $6.50 reduction of the Federal Subscriber Line Charge and a $2.75 reduction in the monthly rate for local exchange telephone service for residential customers. Qualified customers may choose any type or grade of local telephone service, including bundled services that are normally offered by the Company. (C)

+

1 A. Additional Lifeline Discount

This service provides the discount as outlined in A.1.a.1 above and may provide an additional discount equal to the serving company's increase in residential basic local exchange service, as authorized by the NYS Department of Public Service in Case No. 07-C-0349, released March 4, 2008, whereby the NY Commission authorized certain companies to increase basic local service rates up to $2.00 per year for 2 years. The discount can be found on Addendum 1 of the individual Company tariff for those companies offering the Additional Lifeline Discount.

SPECIAL EQUIPMENT, SERVICES, AND PROGRAMS

A. LIFELINE TELEPHONE SERVICE

+

(D)

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+

Received: 03/29/2012
Status: EFFECTIVE
Effective Date: 04/29/2012

A. LIFELINE TELEPHONE SERVICE (cont'd)

1. Lifeline Telephone Service Options (cont'd)

b. General

+

Qualified customers may choose to apply the federal Lifeline credit to any of the company's local service offerings, including any local bundled service offering, basic local service, or message rate service. Message rate Lifeline service is available only where central office facilities permit. For connection of new service, service connection charges apply unless the customer qualifies for connection assistance under the Tribal Lands Link Up program.

(C)

Service connection charges do not apply to change existing service from:

1. Message or flat rate services to Lifeline service.

2. Lifeline service to non-Lifeline services.

+

Issued in Compliance with FCC Order in Dockets: WC Docket No. 11-42, WC Docket No. 03-109, CC Docket No. 96-45, WC Docket No. 12-23

Received: 05/30/2012
Status: EFFECTIVE
Effective Date: 07/01/2012

SPECIAL EQUIPMENT, SERVICES, AND PROGRAMS

A. LIFELINE TELEPHONE SERVICE (cont'd)

2. Regulations

a. These services are restricted to low income residential customers. To qualify for Lifeline service a customer must certify and provide documentation as income eligible. For a consumer to be eligible under the income requirements, the consumer's household income as defined in § 54.400(f) of the FCC Rules must be at or below 135% of the Federal Poverty Guidelines for a household of that size or a recipient of benefits from any one of the following Entitlement Programs: (C)
(C)

1. Medicaid;
2. Supplemental Nutrition Assistance Program (SNAP) F/K/A Food stamps;
3. Supplemental Security Income;
4. Federal Public Housing Assistance (Section 8);
5. Low-Income Home Energy Assistance Program (LIHEAP);
6. National School Lunch Program's free lunch program;
7. Temporary Assistance for Needy Families/SafetyNet; (C)
8. Veterans Disability Pension
9. Veterans Surviving Spouse Pension

Issued in Compliance with FCC Order in Dockets: WC Docket No. 11-42, WC Docket No. 03-109, CC
Docket No. 96-45, WC Docket No. 12-23

Received: 03/29/2012 Status: EFFECTIVE
Effective Date: 04/29/2012

SPECIAL EQUIPMENT, SERVICES, AND PROGRAMS

A. LIFELINE TELEPHONE SERVICE (cont'd)

2. Regulations (cont'd)

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b. The Lifeline discount is effective upon receipt of a completed form of eligibility. If the form is not returned, no further action is taken by the Company to establish eligibility.

(C)

c. The Company, in coordination with appropriate agencies and the Lifeline Customer, will require Lifeline customers to be re-certified, on an annual basis. Lifeline customers will need to certify that they continue to be eligible to receive these Lifeline benefits and that they are not receiving benefits from another company. If, a customer is identified as being ineligible, the customer will be notified that unless the information is shown to be in error, the Lifeline discount will be discontinued. The customer will be billed for discounts received for the time that they were proven to be ineligible for the service.

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3. Locality Charge Waiver
Customers receiving Lifeline Telephone Service will have applicable locality charges waived each month while they are receiving the Lifeline Assistance.

4. Voluntary Toll Blocking (Restriction)
Customers receiving Lifeline service can voluntarily request and receive toll blocking (call restriction), third number billing/collect call restriction without a monthly charge. There will be no record order charge to add these types of restrictions (blocking).

Issued in Compliance with FCC Order in Dockets: WC Docket No. 11-42, WC Docket No. 03-109, CC Docket No. 96-45, WC Docket No. 12-23

Company Name: Margaretville Telephone Company, Inc
Calendar Year: 2012

Lifeline Services Offered by Telephone Company

Service Name	Non-Discounted Rate	Total Minutes Provided	Description of Additional Toll Charges (if any)	Lifeline Rate
Private Line 586 Exchange	$14.55	flat rate local	not included	$5.80
Private Line 676 Exchange	$14.15	flat rate local	not included	$5.40

USDA-RUS

This data will be used by RUS to review your financial situation. Your response is required by 7 U.S.C. 901 et seq. and, subject to federal laws and regulations regarding confidential information, will be treated as confidential.

OPERATING REPORT FOR TELECOMMUNICATIONS BORROWERS

BORROWER NAME
Margaretville Telephone Company, Inc.
(Prepared with Audited Data)

INSTRUCTIONS-Submit report to RUS within 30 days after close of the period.
For detailed instructions, see RUS Bulletin 1744-2. Report in whole dollars only.

PERIOD ENDING: December, 2012

BORROWER DESIGNATION: NY0531

CERTIFICATION

We hereby certify that the entries in this report are in accordance with the accounts and other records of the system and reflect the status of the system to the best of our knowledge and belief.

ALL INSURANCE REQUIRED BY 7 CFR PART 1788, CHAPTER XVII, RUS, WAS IN FORCE DURING THE REPORTING PERIOD AND RENEWALS HAVE BEEN OBTAINED FOR ALL POLICIES.

DURING THE PERIOD COVERED BY THIS REPORT PURSUANT TO PART 1788 OF 7CFR CHAPTER XVII
(Check one of the following)

[X] All of the obligations under the RUS loan documents have been fulfilled in all material respects.

[ ] There has been a default in the fulfillment of the obligations under the RUS loan documents. Said default(s) is/are specifically described in the Telecom Operating Report

Donald Bramley 3/15/2013
DATE

PART A. BALANCE SHEET

ASSETS	BALANCE PRIOR YEAR	BALANCE END OF PERIOD	LIABILITIES AND STOCKHOLDERS' EQUITY	BALANCE PRIOR YEAR	BALANCE END OF PERIOD
CURRENT ASSETS			CURRENT LIABILITIES		
1. Cash and Equivalents	372,968	441,999	25. Accounts Payable	101,829	145,372
2. Cash-RUS Construction Fund	0	0	26. Notes Payable	185,000	170,000
3. Affiliates:			27. Advance Billings and Payments	19,758	24,027
a. Telecom, Accounts Receivable	75,076	130,061	28. Customer Deposits	0	0
b. Other Accounts Receivable	183,362	45,735	29. Current Mat. L/T Debt	24,329	25,569
c. Notes Receivable	0	0	30. Current Mat. L/T Debt-Rur. Dev.	0	0
4. Non-Affiliates:			31. Current Mat.-Capital Leases	0	0
a. Telecom, Accounts Receivable	0	0	32. Income Taxes Accrued	(25,080)	(282,246)
b. Other Accounts Receivable	175,107	146,871	33. Other Taxes Accrued	(2,029)	(3,983)
c. Notes Receivable	0	0	34. Other Current Liabilities	230,386	267,534
5. Interest and Dividends Receivable	0	0	**35. Total Current Liabilities (25 thru 34)**	534,193	346,273
6. Material-Regulated	97,138	98,507	LONG-TERM DEBT		
7. Material-Nonregulated	10,699	10,699	36. Funded Debt-RUS Notes	80,801	55,227
8. Prepayments	111,321	133,473	37. Funded Debt-RTB Notes	0	0
9. Other Current Assets	5,739	6,205	38. Funded Debt-FFB Notes	0	0
10. Total Current Assets (1 Thru 9)	1,031,410	1,013,550	39. Funded Debt-Other	0	0
NONCURRENT ASSETS			40. Funded Debt-Rural Develop. Loan	0	0
11. Investment in Affiliated Companies			41. Premium (Discount) on L/T Debt	0	0
a. Rural Development	0	0	42. Reacquired Debt	0	0
b. Nonrural Development	3,127,193	2,580,430	43. Obligations Under Capital Lease	0	0
12. Other Investments			44. Adv. From Affiliated Companies	0	0
a. Rural Development	0	0	45. Other Long-Term Debt	0	0
b. Nonrural Development	11,193	12,303	**46. Total Long-Term Debt (36 thru 45)**	80,801	55,227
13. Nonregulated Investments	0	0	OTHER LIAB. & DEF. CREDITS		
14. Other Noncurrent Assets	998,900	1,105,169	47. Other Long-Term Liabilities	144,035	117,789
15. Deferred Charges	157,863	81,610	48. Other Deferred Credits	220,861	206,023
16. Jurisdictional Differences	0	0	49. Other Jurisdictional Differences		
17. Total Noncurrent Assets (11 thru 16)	4,295,149	3,779,512	**50. Total Other Liabilities and Deferred Credits (47 thru 49)**	364,896	323,812
PLANT, PROPERTY, AND EQUIPMENT			EQUITY		
18. Telecom, Plant-in-Service	12,518,773	12,666,480	51. Cap. Stock Outstand. & Subscribed	130,000	130,000
19. Property Held for Future Use	0	0	52. Additional Paid-in-Capital	0	0
20. Plant Under Construction	4,095	202,153	53. Treasury Stock	0	0
21. Plant Adj., Nonop. Plant & Goodwill	0	0	54. Membership and Cap. Certificates	0	0
22. Less Accumulated Depreciation	10,415,885	10,756,207	55. Other Capital	6,024	6,983
23. Net Plant (18 thru 21 less 22)	2,106,983	2,112,426	56. Patronage Capital Credits	0	0
24. TOTAL ASSETS (10+17+23)	7,433,542	6,905,488	57. Retained Earnings or Margins	6,317,628	6,043,193
			58. Total Equity (51 thru 57)	6,453,652	6,180,176
			59. TOTAL LIABILITIES AND EQUITY (35+46+50+58)	7,433,542	6,905,488

Total Equity = 89.50% % of Total Assets

USDA-RUS	BORROWER DESIGNATION
OPERATING REPORT FOR TELECOMMUNICATIONS BORROWERS	NY0531
	PERIOD ENDING
INSTRUCTIONS- See RUS Bulletin 1744-2	December, 2012

PART B. STATEMENTS OF INCOME AND RETAINED EARNINGS OR MARGINS

ITEM	PRIOR YEAR	THIS YEAR
1. Local Network Services Revenues	682,695	617,834
2. Network Access Services Revenues	1,261,328	1,108,414
3. Long Distance Network Services Revenues	0	0
4. Carrier Billing and Collection Revenues	92,111	71,261
5. Miscellaneous Revenues	215,704	195,454
6. Uncollectible Revenues		
7. Net Operating Revenues (1 thru 5 less 6)	2,251,838	1,992,963
8. Plant Specific Operations Expense	639,390	558,201
9. Plant Nonspecific Operations Expense (Excluding Depreciation & Amortization)	254,064	275,065
10. Depreciation Expense	414,780	369,461
11. Amortization Expense	0	0
12. Customer Operations Expense	337,616	437,091
13. Corporate Operations Expense	783,219	877,764
14. Total Operating Expenses (8 thru 13)	2,429,069	2,517,582
15. Operating Income or Margins (7 less 14)	(177,231)	(524,619)
16. Other Operating Income and Expenses	0	0
17. State and Local Taxes	0	0
18. Federal Income Taxes	(10,412)	(251,029)
19. Other Taxes	31,494	149,534
20. Total Operating Taxes (17+18+19)	21,082	(101,495)
21. Net Operating Income or Margins (15+16-20)	(198,313)	(423,124)
22. Interest on Funded Debt	6,974	8,941
23. Interest Expense - Capital Leases	0	0
24. Other Interest Expense	(5,947)	(6,043)
25. Allowance for Funds Used During Construction	0	
26. Total Fixed Charges (22+23+24-25)	1,027	2,898
27. Nonoperating Net Income	262,243	379,087
28. Extraordinary Items	0	0
29. Jurisdictional Differences	0	0
30. Nonregulated Net Income		
31. Total Net Income or Margins (21+27+28+29+30-26)	62,903	(46,935)
32. Total Taxes Based on Income	21,082	(101,495)
33. Retained Earnings or Margins Beginning-of-Year	6,482,225	6,317,628
34. Miscellaneous Credits Year-to-Date	0	0
35. Dividends Declared (Common)	0	0
36. Dividends Declared (Preferred)	227,500	227,500
37. Other Debits Year-to-Date		
38. Transfers to Patronage Capital		
39. Retained Earnings or Margins End-of-Period [(31+33+34) - (35+36+37+38)]	6,317,628	6,043,193
40. Patronage Capital Beginning-of-Year	0	0
41. Transfers to Patronage Capital		
42. Patronage Capital Credits Retired		
43. Patronage Capital End-of-Year (40+41-42)	0	0
44. Annual Debt Service Payments	23,164	24,334
45. Cash Ratio [(14+20-10-11) / 7]	0.9039	1.0269
46. Operating Accrual Ratio [(14+20+26) / 7]	1.0885	1.2138
47. TIER [(31+26) / 26]	62.2493	-15.1957
48. DSCR [(31+26+10+11) / 44]	20.6661	13.3732

USDA-RUS OPERATING REPORT FOR TELECOMMUNICATIONS BORROWERS	BORROWER DESIGNATION NY0531
INSTRUCTIONS – See help in the online application.	PERIOD ENDED December, 2012

PART I – STATEMENT OF CASH FLOWS		
1.	**Beginning Cash (Cash and Equivalents plus RUS Construction Fund)**	372,968
	CASH FLOWS FROM OPERATING ACTIVITIES	
2.	**Net Income**	(46,935)
	Adjustments to Reconcile Net Income to Net Cash Provided by Operating Activities	
3.	Add: Depreciation	369,461
4.	Add: Amortization	0
5.	Other (Explain) Accrued Taxes	(259,120)
	Changes in Operating Assets and Liabilities	
6.	Decrease/(Increase) in Accounts Receivable	110,878
7.	Decrease/(Increase) in Materials and Inventory	(1,369)
8.	Decrease/(Increase) in Prepayments and Deferred Charges	54,101
9.	Decrease/(Increase) in Other Current Assets	(466)
10.	Increase/(Decrease) in Accounts Payable	43,543
11.	Increase/(Decrease) in Advance Billings & Payments	4,269
12.	Increase/(Decrease) in Other Current Liabilities	37,148
13.	**Net Cash Provided/(Used) by Operations**	311,510
	CASH FLOWS FROM FINANCING ACTIVITIES	
14.	Decrease/(Increase) in Notes Receivable	0
15.	Increase/(Decrease) in Notes Payable	(15,000)
16.	Increase/(Decrease) in Customer Deposits	0
17.	Net Increase/(Decrease) in Long Term Debt (Including Current Maturities)	(24,334)
18.	Increase/(Decrease) in Other Liabilities & Deferred Credits	(41,084)
19.	Increase/(Decrease) in Capital Stock, Paid-in Capital, Membership and Capital Certificates & Other Capital	959
20.	Less: Payment of Dividends	(227,500)
21.	Less: Patronage Capital Credits Retired	0
22.	Other (Explain) Retirement/Removal Costs	(29,139)
23.	**Net Cash Provided/(Used) by Financing Activities**	(336,098)
	CASH FLOWS FROM INVESTING ACTIVITIES	
24.	Net Capital Expenditures (Property, Plant & Equipment)	(345,765)
25.	Other Long-Term Investments	545,653
26.	Other Noncurrent Assets & Jurisdictional Differences	(106,269)
27.	Other (Explain)	
28.	**Net Cash Provided/(Used) by Investing Activities**	93,619
29.	**Net Increase/(Decrease) in Cash**	69,031
30.	**Ending Cash**	441,999

Revision Date 2010